



**IOWA AGRICULTURAL
DEVELOPMENT DIVISION**

IADD BOARD MEETING MINUTES

**Iowa Finance Authority
2015 Grand Avenue, Des Moines, Iowa
March 26, 2014**

Board Members Present

Mark Leonard, Chair	John Fredrickson
Lyle Borg, Vice Chair	Annette Townsley
Stacie Euken	

Board Members Absent

None

Staff Members Present

Lori Beary, Community Development Director	Tim Jansen, Accounting Manager
Steve Ferguson, IADD Program Specialist	Tammy Nebola, IADD Program Specialist
Cindy Harris, CFO	Mark Thompson, General Counsel

Others Present

Dave Claypool

Call to Order

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Leonard on March 26, 2014 at 9:34 am. A quorum was established with the following Board Members present: Leonard, Borg, Euken, Fredrickson and Townsley.

Review of Minutes of February 21, 2014 Board Meeting

Mr. Leonard presented the minutes of the February 21, 2014 IADD Board Meeting.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Borg the Board unanimously approved the minutes of the February 21, 2014 IADD Board meeting.

Review of February 2014 financial statement

Tim Jansen presented the February 2014 financials. He said that the year-to-date operating income is \$285,894, year-to-date operating expense is \$272,768 and year-to-date net operating income is \$13,126. Mr. Jansen discussed the specifics of the income and expenses to date. He also stated that he planned on having an FY15 budget to present to the Board at the April meeting.

MOTION

On a motion by Ms. Euken and a second by Mr. Fredrickson, the Board unanimously approved the February 2014 financial statement as presented.

Loan Participation Program

Tammy Nebola presented information for a Loan Participation for Korey Krieg with Northwestern Bank in Orange City. The LPP request is for \$150,000 to construct two 1200 hog confinement buildings. The project has also applied for a BFLP. Ms. Nebola explained that all the required LPP criteria are met except for the ratio of total participation to net worth. She also noted that the applicant will be moving back to Kingsley to assist with the family's hog feeding operation in addition to managing his own buildings.

In the past, there was a loan committee that reviewed the LPP's in detail. It was suggested that in the future a committee of two Board members could look over the information in detail and report to the rest of the Board members.

MOTION

On a motion by Mr. Borg and a second by Ms. Euken, the Board unanimously approved the LPP application.

BFLP Amending Resolutions

Tammy Nebola presented the following resolutions to adjust terms and conditions on closed BFLP projects:

Resolution 1820M – Richard and Melissa Arndorfer – Farmers & Traders Savings Bank in Bancroft is the lender. The amendment will lower the interest rate from 7% variable to 4.64% until January 15, 2019 at which time the rate will adjust to the original index and decrease the rate floor from 5% to 4.64%. All other loan terms will remain the same.

Resolution 3704M – Brian Doering – Green Belt Bank & Trust in Iowa Falls is the lender. The amendment will lower the interest rate from 6% to 4% until March 1, 2019 at which time the rate will adjust to the original index and decrease the rate floor from 5% to 4%. All other loan terms will remain the same.

Resolution 4420M – Lance Moeller – Green Belt Bank & Trust in Grundy Center is the lender. The amendment will lock the current interest rate of 4.20% until March 1, 2019 at which time the rate will adjust to the original index. All other loan terms will remain the same.

Resolution 4478M – Steven and Kally Sporrer – U.S. Bank in Boone is the lender. The amendment will lower the interest rate from 5.07% to 4.69% until December 31, 2024 at which time the rate will adjust to the original index. All other loan terms will remain the same.

Resolution 4527M – Harlan and Debra Hartman – Fidelity Bank & Trust in Oelwein is the lender. The amendment will extend the maturity from April 16, 2025 to March 1, 2029 and change the payment date to the 1st of the month beginning April 1, 2014. Due to the extended maturity, the monthly payment amount will decrease from \$1,525 to \$1,050.46. All other loan terms will remain the same.

The Board requested that the original index be noted in the summaries.

MOTION

On a motion by Ms. Townsley and a second by Mr. Borg, the Board unanimously accepted the BFLP amending resolutions.

Beginning Farmer Loan Applications

Tammy Nebola introduced the following applications for a Beginning Farmer loan:

AG 14-009 – David Wan Wyk – Beginning farmer loan of \$500,000 to purchase approximately 81.33 acres of agricultural land in Osceola County. The loan will have a variable interest rate of 3.2% and a loan length of 20 years. The index will be 1% below the UCB Prime Ag Real Estate Rate. Rate will adjust every 5 years. The lender is United Community Bank in Lake Park, IA.

AG 14-010-I- Andrew and Anne Wilwert - Beginning farmer loan of \$495,000 to purchase approximately 117 acres of agricultural land in Dubuque County. The loan will have a fixed interest rate of 3.50% and a loan length of 30 years. The contract sellers are Allen and June Wilwert of Urbandale, IA.

AG 14-011- Justin Hein - Beginning farmer loan of \$144,000 to purchase approximately 40 acres of agricultural land in Jones County. The loan will have a variable interest rate of 3.95% and a loan length of 30 years. The index will be the prime rate plus 0.70%. The lender is Citizens State Bank in Monticello, IA.

AG 14-012 - Jon and Melissa Shuttlefield - Beginning farmer loan of \$221,485 to purchase approximately 40.27 acres of agricultural land in Wapello County. The loan will have a variable interest rate of 3.75% and a loan length of 30 years. The index will be 2.21% over the 5-year Treasury rate. The lender is Bank Iowa in Fremont, IA.

AG 14-013 - Korey Krieg - Beginning farmer loan of \$250,000 to construct two 1200-head hog confinement buildings in Plymouth County. The loan will have a variable interest rate of 3.95% and a loan length of 15 years. The index will be 2.5% above the 5-year Treasury rate. The lender is Northwestern Bank in Orange City, IA.

AG 14-014 – Douglas Freese - Beginning farmer loan of \$333,000 to purchase approximately 69 acres of agricultural land in Hardin County. The loan will have a variable interest rate of 4.5% and a loan length of 30 years. The index will be 1.25% below the PSB Ag Chattel Base Rate. The lender is Peoples Savings Bank in Wellsburg, IA.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board unanimously recommended approval of Beginning Farmer Loan Applications AG 14-009, AG 14-010-I, AG 14-011, AG 14-012, AG 14-013 and AG 14-014.

Public Hearing on Beginning Farmer Loans

A public hearing was held by the IADD Board at the Iowa Finance Authority office on March 26, 2014 at 10:15 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 10:16 am.

MOTION

On a motion by Ms. Euken and seconded by Mr. Borg, the Board unanimously recommended approval of the BFLP Bond documents.

Beginning Farmer Tax Credit Applications

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. There were 17 new BFTC applications for an estimated tax credit amount of \$136,506. With tax credits approved previously and these tax credits, \$4,096,881 in tax credits have been allocated so far in 2014.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications 1463 through 1478 and 1480.

Steve Ferguson reported that letters and emails went to all current land owners and beginning farmers that have BFTC projects reminding them to contact IADD staff if there is a change in their address or a change in the lease terms.

Update on Program to Provide Interim Funding

Lori Beary discussed the program outline staff created for the interim financing program and asked for Board input. The program will be for any farmer that has been approved by FSA for their 50/50 or 5/45/50 programs. The program was created as a loan participation program. Mr. Leonard suggested getting the call reports from FDIC for any banks from which we purchase a loan.

The Board directed the staff to continue developing the program and creating necessary documents.

Marketing Update

Included in the Board packet was the IADD marketing calendar. Steve Ferguson discussed the workshops being set up in May and June in partnership with the Iowa Society of Certified Public Accountants, Iowa State Bar Association, Iowa Farm Managers and Rural Appraisers, and others.

Other Business

The Board discussed having their August Board meeting out in the state. It was decided to schedule the August 27, 2014 IADD Board meeting in Atlantic.

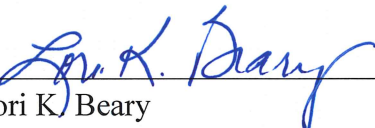
The next IADD Board meeting will be on Wednesday, April 23, 2014 at 9:30 a.m. at the Iowa Finance Authority office.

Adjournment

There being no further business, on a motion by Ms. Townsley and a second by Mr. Fredrickson, the March 26, 2014 meeting of the IADD Board of Directors adjourned at 11:20am.

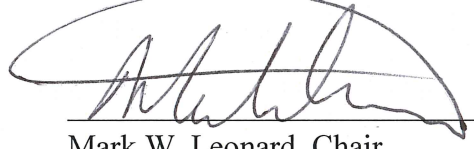
Dated this 23rd day of April 2014.

Respectfully submitted:



Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:



Mark W. Leonard, Chair
IADD Board